

ORIGINAL

OPEN MEETING AGENDA ITEM



0000129310

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

2011 SEP -2 P 2:23

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 2 2011

DOCKETED BY

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE  
COMPANY FOR PROPOSED ELECTRIC  
VEHICLE READINESS  
DEMONSTRATION PROJECT

DOCKET NO. E-01345A-10-0123

COMMENTS OF ARIZONA PUBLIC  
SERVICE COMPANY TO STAFF'S  
REPORT AND PROPOSED ORDER

On August 24, 2011, the Arizona Corporation Commission ("Commission") Staff filed its Staff Report and Proposed Order ("Proposed Order") regarding Arizona Public Service Company's ("APS" or "Company") Electric Vehicle Readiness Demonstration Study ("Revised ev-READY Study"), which was filed on August 8, 2011. APS supports Staff's recommendation to approve the Experimental Rate Schedule ET-EV, and agrees with the recommendation to study the feasibility of offering a separately metered time-of-use rate for electric vehicle charging, as well as the recommendation to provide the Commission with annual reports. However, APS disagrees with Staff's recommendation to deny approval of Experimental Rate Schedule EV-PS ("EV-PS"), which uses a point-of-sale pricing methodology for energy usage at APS-owned publically available charging stations. Under this proposed time-of-use rate, the electric vehicle customer would render instantaneous payment for energy utilized to charge a vehicle, which may require the use of a personal credit card or a specifically targeted pre-paid card.

In the Proposed Order, Staff concludes that APS's role in providing charging infrastructure is presently unclear in light of the federally funded efforts.<sup>1</sup> APS believes, as discussed in APS's previous filings in this docket, that utility companies have an essential

<sup>1</sup> Proposed Order, pg. 12, lines 13-14.

1 role related to electric vehicles, particularly in relation to the distribution system  
2 infrastructure required for recharging electric vehicles, both as the end use provider and the  
3 intermediary distributor of electricity used for recharging. As such, APS is working closely  
4 with many stakeholders, including federally-funded infrastructure contractors. In fact, the  
5 Company's proposed public charging infrastructure program complements, rather than  
6 competes with, the Department of Energy's Electric Vehicle Project ("DOE EV Project").<sup>2</sup>

7       The Company's Revised ev-READY Study is designed to gather and analyze site-  
8 specific information, to provide service to customers who do not participate in the federally-  
9 funded infrastructure program, and to serve customers who travel in areas of APS's service  
10 territory that are not currently in the DOE EV Project's geographic footprint. The Company  
11 will lose the opportunity to gather valuable site-specific data (for each geographic location  
12 where a public EV charging station is installed) if the Commission does not approve the EV-  
13 PS rate and the deployment of APS-owned public electric vehicle charging stations.  
14 Although data is collected by federally-funded EV infrastructure contractors, the data is  
15 aggregated, and site-specific information gathered for each public EV charging station may  
16 not be available or analyzed.

17       APS designed the Revised ev-READY Study to gather site-specific data for APS's  
18 service territory related to delivery system performance, electric vehicles, charging  
19 equipment, and the intelligent energy distribution network known as the smart grid. As part  
20 of the Revised ev-READY Study, APS would collect and analyze data regarding the number  
21 of customers that use the public charging stations, additional load experienced by customers  
22 due to the electric vehicle load, and actual use of off-peak hours to charge vehicles (especially  
23 in the summer months when demand on the local distribution system is at its highest). This  
24 detailed information would allow APS to determine the potential impacts of electric vehicle

---

25  
26 <sup>2</sup> The DOE EV Project is a Department of Energy federal project designed to deploy EVs and EV charging  
27 infrastructure in 18 major cities and metropolitan areas across the United States. By 2012, the EV Project will  
28 deploy approximately 14,000 Level 2 charging stations and 300-400 Level 3 DC Fast Charging Stations. The  
ultimate goal of the DOE EV Project is to take the lessons learned from the deployment of the first 8,300 EVs  
and the charging infrastructure supporting them to enable the streamlined deployment of the next 5,000,000  
EVs.

1 charging on the local electric distribution system, minimize the impacts to the distribution  
2 system, and plan for the smooth integration of electric vehicle technology into the electric  
3 distribution system.

4       Additionally, the Company's proposed public electric vehicle charging station program  
5 will complement the DOE EV Project, which is focused solely on testing the deployment and  
6 use of charging stations within the Phoenix and Tucson metropolitan areas and the Interstate  
7 10 corridor between those cities. APS is proposing the phased-in deployment of public  
8 charging stations over a three-year period, strategically located within the Company's service  
9 territory and in locations where the DOE EV Project does not intend to deploy public  
10 charging stations. This approach would fill gaps within these locations and more evenly  
11 distribute availability of public charging stations.

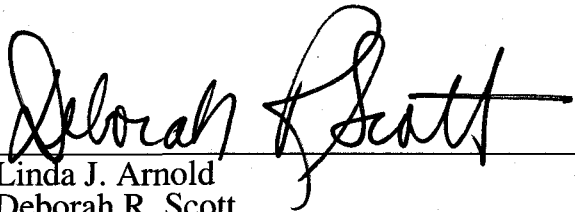
12       Another consideration is the cost of operations and maintenance for the federally  
13 funded infrastructure. APS has heard from municipal stakeholders that due to budgetary  
14 considerations, municipalities cannot absorb the cost of the electric vehicle charging  
15 infrastructure. APS understands that the agreements between the municipality and federally-  
16 funded electric vehicle infrastructure contractors may require the municipality to ultimately  
17 assume maintenance and operation expenses of the charging infrastructure once the federally-  
18 funded program sunsets. This may not be financially possible for some municipalities.

19       Under APS's proposal, the Company would install separately metered electric vehicle  
20 charging stations without placing the financial burden of installation and maintenance costs  
21 on the municipality. Instead, the EV-PS rate structure is designed such that electric vehicle  
22 drivers who choose to use the charging station will pay the costs associated with the  
23 infrastructure. As a result, APS's proposal for public charging stations would allow the  
24 municipality to enjoy the benefits of these without incurring any cost.

25       APS will continue to work closely with the Commission, the industry and stakeholders  
26 to assure that the necessary infrastructure is available to provide reliable service for this new  
27 technology. APS believes that the Company should have an active role, and urges the  
28

1 Commission to approve the Revised ev-READY Study as filed by the Company, including  
2 the EV-PS rate.

3 RESPECTFULLY SUBMITTED this 2nd day of September, 2011.

4  
5  
6 By:   
7 Linda J. Arnold  
8 Deborah R. Scott  
9 Attorneys for Arizona Public Service Company

9 ORIGINAL and thirteen (13) copies  
10 of the foregoing filed this 2nd day of  
11 September, 2011, with:

11 Docket Control  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington Street  
14 Phoenix, Arizona 85007

14 COPY of the foregoing mailed/delivered/  
15 emailed this 2nd day of September, 2011 to:

16 Janice M. Alward  
17 Chief Counsel, Legal Division  
18 Arizona Corporation Commission  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

20 Steven M. Olea  
21 Director, Utilities Division  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

24 Daniel Pozefsky  
25 RUCO  
26 1110 West Washington Street  
27 Suite 220  
28 Phoenix, Arizona 85007

//

1 Wendy L. Larchick, Esq.  
2 ECOTALITY North American  
3 805 North 2<sup>nd</sup> Street  
4 Phoenix, Arizona 85004

5 Ms. Alana Chavez-Langdon  
6 Vice President, Government Relations  
7 ECOTALITY, Inc.  
8 80 East Rio Salado Parkway  
9 Suite 710  
10 Tempe, Arizona 85281

---